

COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed House Bill 1505 because it conflicts with SEA 526-2007 without properly recognizing the existence of SEA 526-2007, has had Engrossed House Bill 1505 under consideration and begs leave to report back to the House with the recommendation that Engrossed House Bill 1505 be corrected as follows:

- 1 In the conference committee report to ESB 1505, page 5, between
- 2 lines 27 and 28, begin a new paragraph and insert:
- 3 "SECTION 4. IC 21-29-2-3 IS ADDED TO THE INDIANA CODE
- 4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 5 1, 2007]: **Sec. 3. (a) Notwithstanding any other law, the following**
- 6 **records regarding alternative investments in which institutional**
- 7 **investment funds invest are not subject to disclosure under**
- 8 **IC 5-14-3, unless the information has already been publicly**
- 9 **released by the keeper of the information:**
- 10 **(1) Due diligence materials that are proprietary to the**
- 11 **institutional investment fund or the alternative vehicle.**
- 12 **(2) Quarterly and annual financial statements of alternative**
- 13 **investment vehicles.**
- 14 **(3) Meeting materials of alternative investment vehicles that**
- 15 **contain individual portfolio holdings.**
- 16 **(4) Records containing information regarding the underlying**
- 17 **portfolio positions in which alternative investment vehicles**
- 18 **invest.**
- 19 **(5) Capital call and distribution notices.**
- 20 **(6) Alternative investment agreements and all related**
- 21 **documents.**
- 22 **(b) Notwithstanding subsection (a), the following information**
- 23 **contained in records described in subsection (a) regarding**
- 24 **alternative investments in which institutional investment funds**
- 25 **invest is subject to disclosure under this chapter and is not**
- 26 **considered a trade secret or confidential financial information**

1 exempt from disclosure:

2 (1) The name, address, and vintage year of each alternative
3 investment vehicle.

4 (2) The dollar amount of the commitment made to each
5 alternative investment vehicle by the institutional investment
6 fund since inception.

7 (3) The dollar amount of cash contributions by the
8 institutional investment fund to each alternative investment
9 vehicle since inception.

10 (4) The dollar amount, on a fiscal year-end basis, of cash
11 distributions received by the institutional investment fund
12 from each alternative investment vehicle.

13 (5) The dollar amount, on a fiscal year-end basis, of cash
14 distributions received by the institutional investment fund
15 plus the remaining value of partnership assets attributable to
16 the institutional investment fund's investment in each
17 alternative investment vehicle.

18 (6) The net internal rate of return of each alternative
19 investment vehicle since inception.

20 (7) The investment multiple of each alternative investment
21 vehicle since inception.

22 (8) The schedule of management fees and costs assessed by
23 each alternative vehicle to the institutional investment fund.

24 (9) The dollar amount of cash profit received by institutional
25 investment funds from each alternative vehicle on a fiscal
26 year-end basis.

27 (c) The following definitions apply throughout this section:

28 (1) "Alternative investment" means an investment in a
29 private equity fund, real estate fund, venture fund, hedge
30 fund, natural resource, or absolute return fund.

31 (2) "Alternative investment vehicle" means a limited
32 partnership, limited liability company, or similar legal
33 structure that is not publicly traded through which an
34 institutional investment fund invests in portfolio companies.

35 (3) "Institutional investment fund" means a fund that consists
36 of money managed in an endowment fund, including a
37 quasi-endowment, and the returns on the endowment fund,
38 that is held and invested by a state educational institution (as
39 defined in IC 20-12-0.5-1).

40 (4) "Portfolio positions" means individual portfolio
41 investments made by alternative investment vehicles."

- 1 Renumber all SECTIONS consecutively.
 (Reference is to EHB 1505 as printed March 23, 2007, and as
 amended by the conference committee report to ESB 1505.)

Representative Pelath, Chairperson

Representative Whetstone, R.M.M.

Representative Bardon, Author